



**Department of Justice
U.S. Attorney's Office
Southern District of Texas**

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FOR IMMEDIATE RELEASE

April 26, 2006

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**DOCTOR SENTENCED TO 10 YEARS
FOR DEFRAUDING MEDICARE**

HOUSTON, TX – A physician, Callie Hall Herpin, 35, was sentenced to ten years in federal prison for her part in a conspiracy to defraud Medicare of \$30 million, United States Attorney Don DeGabrielle announced today.

Herpin pleaded guilty in April 2005 to conspiring to defraud Medicare of millions of dollars through a wheelchair scam. She also pleaded guilty to conspiracy to illegally distribute hydrocodone and promethazine with codeine (known as “syrup” on the street).

In the wheelchair scam, Herpin and her officer manager, Etta Mae Williams, together “sold” certificates of medical necessity (CMN) and prescriptions for motorized wheelchairs and other durable medical equipment (DME) to certain marketers and DME suppliers for approximately \$200 cash each. Dr. Herpin was described as the apex of the pyramid of illegal conduct in the so-called “wheelchair scam” that plagued the Houston area in 2002-2003. Dr. Herpin and Williams wrote no less than 920 fraudulent motorized wheelchair CMNs and prescriptions, receiving no less than \$184,000 in cash in return. Herpin admitted she did not examine all of the patients to determine their eligibility for a motorized wheelchair and most, if not all, of her “patients” were not eligible. In many instances, the marketers brought copies of the Medicare beneficiaries’ driver’s license and Medicare card to Herpin and Williams who used the information to produce the fraudulent CMNs. Various DME suppliers used the fraudulent CMNs generated by Williams and Herpin to bill Medicare in excess of \$30 million. As part of her sentence, Herpin was ordered to pay in excess of \$12 million in restitution to the Medicare program.

Herpin was also sentenced for her involvement in a second conspiracy with Williams, this time to illegally distribute controlled substances, specifically hydrocodone products and codeine cough syrup. Herpin and Williams “sold” prescriptions for controlled substances to individuals for cash. The prescriptions were not written in the normal course of Dr. Herpin’s medical practice and were not medically necessary. Prescriptions for controlled substances, including hydrocodone and promethazine with codeine, were written by the hundreds and sold to certain individuals and street dealers. Dr. Herpin pre-signed large numbers of controlled substance scrips in blank that Etta Williams sold when Herpin was out of the office. Dr. Herpin’s routine prescription was for 100 tabs of hydrocodone and one pint of syrup. Most prescriptions also allowed multiple refills. Herpin’s price for a prescription was determined by

the number of drugs and number of refills requested. Several individuals, including Etta Williams, purchased multiple scrips in fabricated names. Williams and Herpin would sell as many as 200 scrips to one drug dealer at one time. Etta Williams and others, including co-defendant Karen Williams, would compile a list of fictitious patient information, such as addresses, telephone numbers, and dates of birth, to mirror the illegal scrips. The purchasers would take the fraudulent scrips and the list to willing pharmacists, including the co-defendants in this case, who would fill them for cash. The pills and the syrup ultimately were sold on the streets of Houston. In her plea, Herpin admitted there was no legitimate medical reason for the prescriptions. During the course of the charged conspiracy, the co-defendant pharmacists dispensed in excess of 1.7 million tabs of hydrocodone and 2,500 gallons of promethazine with codeine based on prescriptions written by Dr. Herpin and/or under her DEA number. Herpin admitted that she and Etta Williams together wrote no less than 17,086 prescriptions for controlled substances and received no less than \$1.7 million in cash proceeds.

In addition to her prison term, Herpin has been ordered to forfeit to the United States the sum of \$1.88 million dollars, the total amount of the proceeds generated from her illegal conduct.

Herpin, who has been in federal custody since her convictions in April 2005, will remain in custody pending her transfer to a U.S. Bureau of Prison facility to serve her lengthy sentence. The court has further ordered Herpin to serve a three year period of supervised release following the completion of her sentence.

The prosecution of Herpin was a result of a joint investigation conducted by agents of the U.S. Department of Health and Human Services Office of Inspector General (HHS/OIG), the Drug Enforcement Administration (DEA), the Federal Bureau of Investigation (FBI), and the Internal Revenue Service Criminal Investigation (IRS/CI). This case was prosecuted by Assistant United States Attorney Al Balboni.

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